ECON-6313: Seminar in Macro and Growth Theory

Spring 2020

SYLLABUS

Lecture: MW 01:30 PM - 02:45 PM, Room 145, Cate Center One

Instructor: Hewei Shen

Email: hewei.shen@ou.edu

Office: Room 334 Cate Center 1

Office Hours: 3:00 PM – 4:00 PM on Mondays, 12:15 PM – 1:15 PM on Wednesdays, or by appointment

Graduate Assistant: Mr. Ruichun Liu (Ruichun.Liu-1@ou.edu)

Course Description: This course introduces the basic concepts and techniques of modern macroeconomic theory. Much of modern macroeconomics employs dynamic stochastic general equilibrium models to interpret macroeconomic phenomena. This approach emphasizes the "microeconomic foundations" of macroeconomic theory. We will focus on modeling individual behavior and examine the link between this behavior and macroeconomic time series such as business cycle, asset prices, unemployment, and interest rates.

The goal of this course is to bring students close to the frontier of modern macroeconomics. Students are assumed to be familiar with basic calculus and matrix algebra. Modern macroeconomics has come to rely on computational techniques to aid in analysis. We will use Matlab, a matrix-based programming language, for model building.

Expectations: In this course you will learn to build dynamic stochastic general equilibrium (DSGE) models, solve the models using both linear and nonlinear methods, and interpret the solutions. My expectation is that by the end of the semester you will be able to perform all three tasks with relative ease for even "complicated" models. As with many things in life, learning to do each one of these tasks well takes discipline, dedication and creativity. For each lecture there will be an assigned reading. I expect that you will have carefully read the paper / chapter prior to that lecture. Homework assignments are vital to the

learning process. While I do not shun working in groups to complete homework assignments, I encourage you to struggle with the homework assignments yourself before discussing the problem with others. Late homework will not be accepted.

Course Outline: The course materials and homework will be posted on Canvas.

Useful Texts and Notes:

Acemoglu, Daron. (2009) *Introduction to Modern Economic Growth*, Princeton University Press

Adda, Jerome and Russel Cooper. (2003) *Dynamic Economics*, MIT Press.

Romer, David (2001) *Advanced Macroeconomic Theory*, McGraw Hill.

Ljungqvist. Lars, and Thomas J. Sargent. (2012) *Recursive Macroeconomic Theory, Third Edition*, MIT Press

Stokey, Nancy, and Robert Lucas with Edward Prescott. (1989) *Recursive Methods in Economic Dynamics*, Harvard Press

Krueger, Dirk. *An Introduction to Macroeconomics with Household Heterogeneity*

Krusell, Per. *Real Macroeconomic Theory*

Grades will be determined according to the following scale.

90%-100% A	80%-89% B	68% - 79% C	50% - 67% D	<50% F

Based upon:

40%: two midterm exams: tentatively on February 24th and April 6th.

20%: Homework Assignments

40%: Final Exam: 08:00 AM - 10:00 AM, Thursday, May 7th, 2020.

Administrative: I will make accommodations for students with physical, mental or learning disabilities. Students with disabilities may require some modification of seating, testing or other accommodations should see me (after class or during my office hours) so that appropriate arrangements may be made. You should also contact the Disability Resource Center, http://www.ou.edu/drc. The University of Oklahoma guidelines are followed in issues of academic dishonesty. Please see https://integrity.ou.edu/students.html for more information.